



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Minutes Rent Review Board

Robert Schwartz, Non-Resident Landlord, Chair
Mia Ousley, Homeowner, Vice-Chair
Lizzie Brown, Tenant
Karyl Lee-Figueroa, Tenant
Vacant, Resident Landlord

Tuesday, May 26, 2015

7:00 PM

City Council Chambers

1. ROLL CALL

Meeting called to order at 7:03 p.m.

Present 4 - Schwartz, Ousley, Lee-Figueroa, and Brown. Absent 0. Resident Landlord seat is vacant.

2. PUBLIC COMMENTS

None.

3. MINUTES

3.A. Minutes of meeting of April 28, 2015

Board Vice Chair Ousley pointed out 1 necessary correction in section 5.A. RRB2014-33 - 65 Thornton Street #107. Rent Review Board Secretary Steve Hernandez stated he will make the correction.

Motion to approve Minutes of April 28, 2015 Rent Review Board Meeting. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Minutes approved with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

4. CORRESPONDENCE

None.

5. HEARINGS

5.A. RRB2014-49 - 225 Chumalia Street #4

Rent Review Board Secretary Hernandez explained that this case was mutually resolved between the tenant and landlord prior to the Rent Review Board Hearing.

5.B. RRB2014-52 - 13495 Bancroft Avenue #104

Rent Review Board Secretary Hernandez explained that this case was mutually resolved between the tenant and landlord prior to the Rent Review Board Hearing.

5.C. RRB2014-56 - 13495 Bancroft Avenue #109

Michael Smith, the tenant at 13495 Bancroft Avenue #109, stated that he only works part time and cannot afford a \$195 rent increase. He stated that he was given a \$150 rent increase last year without proper notice. He explained that can afford a \$100 rent increase. He emphasized that he also pays about \$50 for water and garbage. He also added that he cannot afford to move.

Board Member Lee-Figueroa asked Mr. Smith whether he pays for his utilities plus renter's insurance. Mr. Smith responded yes.

Elvia Rocha, Area Manager, and Lizette Ramirez, Assistant Manager, represented Metro Park Apartments. Ms. Rocha explained that operating costs have increased while there have been improvements made to the property including the parking lot, floors in the hallway, and the property fence. She also added that they have the most recent market survey that supports the rent increase for Mr. Smith.

Board Member Lee-Figueroa asked Ms. Rocha why there is a premium on a month-to-month lease. Ms. Rocha explained that it is not cost effective to have tenants on a month-to-month.

Board Vice Chair Ousley asked Ms. Rocha whether utilities are included in Mr. Smith's rent. Ms. Rocha responded no.

Board Chair Schwartz asked how many units are there in the property. Ms. Rocha responded 93 units. He then asked what is the square footage of Mr. Smith's unit, and Ms. Rocha responded 594 sqft.

Board Vice Chair Ousley stated that Mr. Smith will have a 30% rent increase in just 2 years. She asked whether this is because the market is allowing it. Ms. Rocha responded that \$1,625 is the average rent of their competitors for similar units (Mr. Smith's new rent is \$1,495.).

Board Member Schwartz asked if there are anyone who would like to make a public comment relating to Mr. Smith's Rent Review Board case. Ms. Yolanda Garrett came up and stated that Mr. Smith is her neighbor, and that Mr. Smith is a great neighbor who helps clean up the property. She also stated that she went in front of the Rent Review Board regarding her rent increase several months ago, and she was the one who encourage Mr. Smith to have his rent increase reviewed by the Rent Review Board.

Motion to close public hearing. A motion was by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Board members began discussion.

Board Member Brown asked why tenants are responsible for repairs.

Board Member Lee-Figueroa stated that there is no justification for raising the rent.

Board Vice Chair Ousley stated that the 30% rent increase is too fast in a too short a time.

Board Chair Schwartz explained that last year's invalid rent increase is rescindable.

He also stated that 10% maximum rent is a good standard to try to prevent rent control. He also added that it is not a loss if 1 tenant out of 93 tenants protest their rent increase.

Board Member Lee-Figueroa stated that she recommends a \$100 rent increase.

Board Vice Chair Ousley stated that a \$100 rent increase will average Mr. Smith's rent increase to 10% a year.

Ms. Rocha stated that she will agree to lower Mr. Smith's rent increase from \$195 to \$100.

A short recess was taken so that Board Secretary Hernandez can have Mr. Smith and Ms. Rocha sign a written rent increase settlement agreement to formalize their agreement to a mutually satisfactory resolution of a \$100 rent increase rather than a \$195 rent increase.

5.D. RRB2014-55 - 1492 Bancroft Avenue

Rent Review Board Secretary Hernandez explained that this case was mutually resolved between the tenant and landlord prior to the Rent Review Board Hearing.

5.E. RRB2014-57 - 14550 East 14th Street #223

A short recess was taken in order for Board Chair Schwartz and City Attorney Jennifer Faught discuss whether Board Chair Schwartz needed to recuse himself from the next case because his father has Vasona Management as the property manager for one of his father's properties. Upon further discussion, it was determined that Board Chair Schwartz did not need to recuse himself from the case.

Ms. Shayna Rockett, the tenant at 14550 East 14th Street #223, explained that her rent will increase from \$1,205 to \$1,305 (\$100 rent increase) if she signs a lease or if she stays month-to-month her rent will increase to \$1,405 (\$200 rent increase). She stated that she would like to remain month-to-month as she is looking to move, but it is difficult because she is a student who also works part-time. She also added that Vasona Management re-issued her a new notice on April 21st as she was originally provided the Unincorporated County notice rather than the City of San Leandro Required Notice on April 1st.

Lizette Espinoza, Assistant Manager, represented Sequoia Grove Apartments. She stated that Ms. Rockett's rent includes water, garbage, and sewer.

Board Member Lee-Figueroa Asked Ms. Espinoza what the basis for the \$200 rent increase. Ms. Espinoza stated that the rent increase below 10%.

Board Vice Chair Ousley asked if there have been improvements made to Ms. Rockett's unit or the property. Ms. Espinoza responded that there have been no improvements since Vasona Management took over the property back in August 2014.

When asked by Board Chair Schwartz, Ms. Espinoza responded that there are 72 units in the property; Ms. Rockett's unit is 650 sqft.; and that only those whose leases are expiring are the ones receiving rent increases, and that Ms. Rockett has not had a lease renewal since 2012.

There were no public comments on this case.

Motion to close public hearing. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, Brown), 0 nay.

Board members began discussion.

Board Member Lee-Figueroa stated that Mr. Rockett's month-to-month should continue and that Ms. Rockett's rent increase should only be \$75. She added that there is hardship for Mr. Rockett as she is a student working part-time.

Board Vice Chair Ousley stated that in 4 years, Mr. Rockett will have a 34% increase in her rent.

Board Chair Schwartz asked Mr. Rockett if a 6-month lease is too long. Ms. Rockett responded yes.

Board Member Brown stated that Ms. Rockett received a rent increase last August 2014 and this current rent increase effective June 1st will give Ms. Rockett 2 rental increases within a 12-month period.

Board Vice Chair Ousley stated that Ms. Rockett intends to move out in 6 months.

Ms. Rockett stated she is asking for a \$75 rent increase and to remain month-to-month.

Ms. Espinoza stated that Vasona Management charges a 1-month's rent fee for breaking a long-term lease.

Board Chair Schwartz stated that a \$100 rent increase is reasonable.

Board Member Brown stated that it is not reasonable to force Ms. Rockett in to a 6-month lease. She also added that a \$75 rent increase is fair.

Ms. Rockett recommended a \$75 rent increase and a 6-month lease.

Ms. Espinoza accepted Ms. Rockett's recommendation.

A short recess was taken so that Board Secretary Hernandez can have Ms. Rockett and Ms. Espinoza sign a written rent increase settlement agreement to formalize their agreement to a mutually satisfactory resolution of a \$75 rent increase with a 6-month lease.

6. MISCELLANEOUS

None.

7. BOARD MEMBER COMMENTS

None.

8. STAFF COMMENTS

Board Secretary Hernandez explained to the Board members that there are cases lined up for a June Rent Review Board Hearing. However, the City Council

Chambers is not available on the 4th Tuesday of June, which is June 23rd. Upon further discussion, all 4 Board members indicated that they will be available for a Special Meeting on June 16th.

9. ADJOURN

Motion to adjourn by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion approved with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Meeting adjourned at 8:43 p.m.